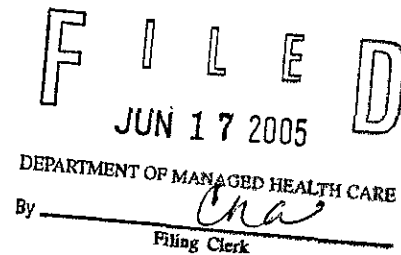


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4 CALIFORNIA DEPARTMENT OF  
MANAGED HEALTH CARE  
5 Office of Enforcement  
980 Ninth Street, Suite 500  
6 Sacramento, CA 95814-7243  
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7 Facsimile: (916) 323-0438

8 Attorneys for Complainant



9  
10 BEFORE THE DEPARTMENT OF MANAGED HEALTH CARE  
11 OF THE STATE OF CALIFORNIA

12 IN THE MATTER OF: ) DMHC No.: 04-393  
13 HEALTHCARE ADVANTAGE, LLC. )  
14 Respondent. ) **ORDER RE LICENSURE**  
15

16  
17 **TO: HEALTHCARE ADVANTAGE, LLC.**  
18 **861 S.W. 78th Avenue, Suite 200**  
19 **Plantation, FL 33324**

20 The Department of Managed Health Care (the "Department") has determined that  
21 Healthcare Advantage, LLC ("Healthcare Advantage") is operating as a health care service  
22 plan within the meaning of Health and Safety Code sections 1345(f) and 1399.5. Healthcare  
23 Advantage has represented through its counsel that it has agreed to file an application for  
24 licensure with the Department. Based thereon, the Department makes the following order.

25 **IT IS HEREBY ORDERED:**

26 A. Healthcare Advantage shall:

- 27 1. On or before August 2, 2005, Healthcare Advantage shall contact the  
28 Department and obtain a login identification number and a password in

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1 order to electronically submit an application for licensure under the  
2 Knox-Keene Health Care Service Plan Act of 1975, as amended, Health  
3 and Safety Code section 1340 *et seq.* (the "Knox-Keene Act");

4 2. On or before October 3, 2005, file an application for licensure under the  
5 Knox-Keene Act and, if applicable, provide sufficient proof to establish  
6 an exemption or waiver pursuant to Health and Safety Code sections  
7 1343(b) and/or 1343.5;

8 3. After the application for licensure is filed, demonstrate efforts  
9 satisfactory to the Department, to timely resolve all issues identified by  
10 the Department in the licensing process and complete the licensure  
11 process in a timely manner;

12 4. Within thirty (30) calendar days of the issuance of this Order,  
13 implement operational changes necessary and sufficient for full  
14 compliance with the requirements of Health and Safety Code sections  
15 1365(a), 1365.5, 1366, 1367(b), (c), (d), (e)(1), (f), (g) and (h)(1);  
16 1368.02(b), 1373(a), 1379, 1381, 1384(a), (d) and (f); 1385 and 1395;

17 5. Within thirty (30) calendar days of the issuance of this Order, establish  
18 and submit to the Department for approval a grievance system in  
19 compliance with Health and Safety Code sections 1368 and 1368.01,  
20 and California Code of Regulations, title 28, section 1300.68, as  
21 applicable;

22 6. Within thirty (30) calendar days of the issuance of this Order, revise, as  
23 necessary, all of its materials provided to or made available to  
24 Healthcare Advantage's members for full compliance with the  
25 requirements of Health and Safety Code Sections 1363 and 1363.1 and  
26 California Code of Regulations, title 28, sections 1300.63, 1300.63.1,  
27 1300.63.2 and 1300.67.4, as applicable;

28 ///

- 1           7.     Within thirty (30) days of the Department approving Healthcare  
2           Advantage's grievance process established pursuant to paragraph 5  
3           above, distribute all materials revised pursuant to paragraph 7 above,  
4           including disclosure of the grievance process approved by the  
5           Department;
- 6           8.     Commencing on July 1, 2005, and continuing each month thereafter  
7           until the licensure process is completed, submit to the Department a  
8           monthly report of all complaints by California members, including the  
9           reason for each complaint and the disposition of each;
- 10          9.     Within thirty (30) calendar days of the issuance of this Order, submit for  
11          the Department's prior review and approval any and all advertising and  
12          marketing materials to be used in connection with the sale of  
13          memberships in Healthcare Advantage and demonstrate compliance  
14          with Health and Safety Code sections 1360, 1360.1 and 1361;
- 15          10.    Effective immediately, shall not sell or offer any insurance product or  
16          coverage under any group policy in connection with the sale of  
17          memberships in Healthcare Advantage; and
- 18          11.    Within thirty (30) calendar days from the date of the issuance of this  
19          Order, demonstrate to the satisfaction of the Department, that  
20          Healthcare Advantage is providing a quantifiable and non-illusory  
21          benefit to its members in California.

22        B.     The Department may extend the time during which Healthcare Advantage may  
23        do any act enumerated herein if it is satisfied that Healthcare Advantage is  
24        making reasonable progress, but this provision shall not create any obligation,  
25        promise or expectation that time will be extended, nor shall the fact that the  
26        Department extends time once create any expectation that it will do so again.

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- 1 C. The failure of any condition required during the licensure process, or as listed  
2 above, may result in the issuance of a Cease and Desist Order, as the  
3 Department deems necessary.
- 4 D. Unless terminated sooner or otherwise ordered, this Order shall automatically  
5 terminate upon the Department's issuance of a license under the Knox-Keene  
6 Act to Healthcare Advantage.

7

8 Dated: June 17, 2005

LUCINDA EHNES, Director  
Department of Managed Health Care

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11 By: 

12 AMY L. DOBBERTEEN  
13 Assistant Deputy Director  
14 Office of Enforcement  
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